

Circle Telephone and Electric, LLC

P.O. Box 3
Circle, Alaska 99733
(907) 773-5500

June 28, 2015

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

RE: *Connect America Fund*, WC Docket No. 10-90 and *Lifeline and Link Up Reform and Moderation*, WC Docket No. 11-42, 47 C.F.R. §54.313 and §54.422 Annual Reporting Requirements

Dear Ms. Dortch:

CTE respectfully submits a revised copy of CTE's FCC Form 481 Carrier Annual Reporting Data Collection Form and supporting documentation. After the filing was originally submitted on June 25, 2015, CTE noticed that Line 1000, Voice Services Rate Comparability Certification, had an incorrect response. CTE has corrected the oversight and now respectfully submits CTE's revised FCC Form 481 to ensure compliance with 47 C.F.R. §54.313 and §54.422.

Pursuant to 47 C.F.R §54.313(i) and 54.422(c), a copy of this filing is also being submitted the Regulatory Commission of Alaska. CTE apologizes for any inconvenience this oversight may have caused. If you have any questions in regard to this filing, please contact Julie Donn at (907) 733-5930 or by email at juliedonn55@gmail.com.

Sincerely,



David Masephol
President

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	613005
<015> Study Area Name	CIRCLE UTILITIES
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Julie Donn
<035> Contact Telephone Number: Number of the person identified in data line <030>	9077335930 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	juliedonn55@gmail.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
(check box when complete)			
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">613005ak510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">613005ak610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">613005ak1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input type="radio"/> <input checked="" type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(100) Service Quality Improvement Reporting Data Collection Form	
FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data Julie Donn	
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input checked="" type="radio"/> (yes / <input type="radio"/> no)
<111>		<input checked="" type="radio"/> (yes / <input type="radio"/> no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Not Applicable
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

**(200) Service Outage Reporting (Voice)
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

[illegible]

(900) Tribal Lands Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn5@gmail.com

<910>	Tribal Land(s) on which ETC Serves	<div>Circle Alaska Tribal Community</div>
<920>	Tribal Government Engagement Obligation	<div>613005ak920.pdf</div>

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Yes

(1100) No Terrestrial Backhaul Reporting		FCC Form 481	
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
		July 2013	

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

No

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

Not Applicable

(1200) Terms and Condition for Lifeline Customers

Lifeline Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn5@gmail.com

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	<div>613005ak1210.pdf</div>	Name of Attached Document
<1220>	Link to Public Website	HTTP	circletelephoneandelectric.com

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers		July 2013
<010>	Study Area Code	
<015>	Study Area Name	613005
<020>	Program Year	CIRCLE UTILITIES
<030>	Contact Name - Person USAC should contact regarding this data	2016
<035>	Contact Telephone Number - Number of person identified in data line <030>	Julie Dorn
<039>	Contact Email Address - Email Address of person identified in data line <030>	2077355930 ext. juliedorn15@gmail.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2010>	Incremental Connect America Phase I reporting	
<2011a>	2nd Year Certification {47 CFR § 54.313(b)(1)i}	
<2011a>	3rd Year Certification {47 CFR § 54.313(b)(1)ii}	
<2011b>	Attachment {47 CFR § 54.313(b)(1)iii}	
<2012>	Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}	
<2013>	2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}	
<2014>	2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}	
<2014>	2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}	
<2015>	2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}	
<2016>	Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}	
<2016>	Certification Support Used to Build Broadband	
<2017>	Connect America Phase II Reporting {47 CFR § 54.313(e)}	
<2017>	3rd year Broadband Service Certification	
<2018>	5th year Broadband Service Certification	
<2019>	Interim Progress Certification	
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	
<2021>	Interim Progress Community Anchor Institutions	

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Doim
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedoim55@gmail.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)

Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)

(3014)

If yes, does your company file the RUS annual report

(Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015)

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

(Yes/No)

(3018)

If the response is no on line 3014, Is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019)

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021)

Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023)

Underlying information subjected to a review by an independent certified public accountant

(3024)

Underlying information subjected to an officer certification.

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

613005ak3026.pdf

(3026)

Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	613005
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<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

Financial Data Summary	
(3027) Revenue	155724
(3028) Operating Expenses	54617
(3029) Net Income	99868
(3030) Telephone Plant In Service(TPIS)	203347
(3031) Total Assets	453006
(3032) Total Debt	38258
(3033) Total Equity	414748
(3034) Dividends	0

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Julie Donn
<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: CIRCLE UTILITIES	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/27/2015
Printed name of Authorized Officer: David Masephol	
Title or position of Authorized Officer: President	
Telephone number of Authorized Officer: 9077735500 ext.	
Study Area Code of Reporting Carrier: 613005	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	613005
<015> Study Area Name	CIRCLE UTILITIES
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Julie Donn
<035> Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	juliedonn55@gmail.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: ext. _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: ext. _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613005
<015>	Study Area Name	CIRCLE UTILITIES
<020>	Program Year	2016
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<035>	Contact Telephone Number - Number of person identified in data line <030>	9077335930 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	juuliedonn55@gmail.com

1/1/2015	
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<701>	Residential Local Service Charge Effective Date
<702>	Single State-wide Residential Local Service Charge

<703>

[illegible]

(112) 5 Year Progress Report

Circle Telephone & Electric, LLC (CTE) is the eligible telecommunications carrier (ETC), average schedule incumbent local exchange carrier and carrier of last resort for the remote tribal community of Circle, Alaska. As an ETC, CTE provides universal service supported services in one exchange. As of December 31, 2014, CTE's customer base consisted of 40 residential and 25 business access line customers. Of CTE's 40 residential customers, 29 were recipients of universal service Lifeline support.

As of this filing, CTE had not received a reasonable request for broadband service. Absent such a request, CTE is not required to deploy broadband.¹ Given that CTE is not currently deploying broadband, no maps are included with this filing.

CTE instead uses its legacy universal service support to maintain and upgrade its existing switched access network. As January through June is mostly winter months in Circle, Alaska, the greatest portion of CTE's time is spent on the maintenance and repair of CTE's outside plant and general support work equipment. CTE's ongoing maintenance and 24 hour response to repair needs allows CTE to provide its customers with dependable quality service.

The following is a list of maintenance and repair items for which legacy universal service support was used:

- 1) Due to the severe Arctic conditions, CTE must continually troubleshoot and repair lines for disturbances and attenuation caused by moisture, extreme temperature fluctuations, varying tensions, heavy frost loads and lightning strikes.
- 2) Rearrangement of existing Pairgain equipment to accommodate installation of new Pairgain equipment needed for growth and damage caused by lightning strikes.
- 3) Normal switch changes to meet customer service requests.
- 4) Preventive tree and brush clearing maintenance along utility right-of-ways.
- 5) Normal central office building maintenance.
- 6) Repair work to CTE's telephone truck.

¹ See *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17674, para. 26.

Maintenance and Repair Costs

Account 6120	Building Maintenance	\$ 3,759
Account 6210	Switching Expense	6,865
Account 6230	Transport Expense	2,600
Account 6420	Aerial Cable Maintenance	<u>17,910</u>
Total Jan – June 2015 Maintenance Costs		<u>\$31,134</u>

Plant Investment

<u>Account 2210 - Buildings:</u>		
Gravel and paint for new central office		\$ 1,850
<u>Account 2230 - Transport Equipment:</u>		
Installation of new Pairgain equipment for growth and to upgrade equipment damaged in lightning strike.		<u>3,900</u>
Total Jan – June Plant Investment		<u>\$ 5,750</u>

Universal Service Support

During the period of January through June 2015, CTE's federal universal service support is anticipated to be:

Connect America Fund Intercarrier Compensation (CAFICC)	\$25,248
Interstate Common Line Support	11,688
High Cost Loop Support	<u>4,329</u>
Total Universal Service Support Payments	\$41,265
Test Period 2012-2013 CAFICC True-up Support (See Note)	<u>(9,668)</u>
Total Jan – June 2015 Universal Service Support	<u>\$31,597</u>

Note: When the original Test Period 2012-2013 CAFICC was submitted, CTE overestimated its intrastate terminating revenues. This error resulted in the 2012-2013 True-up shown above and on page 3 Line ID 80 of this report. The error in calculating the projected terminating revenues was not found until Test Period 2014-2015 causing the prior period adjustment to occur again in Test Period 2013-2014.



2014 CAF ICC Data Collection

NECA Home NECA Data Collections Contact Us General Instructions Logout

Logged In User: Julie Donn



Home Select Company Main Page Study Area Data Input Menu ► CAF & ARC Output ► Electronic Certifications ►

Study Area: CIRCLE TEL & ELEC (ID: 613005)

CAF Output and ARC Revenues

Important: Please click the submit button on every page including the Study Area Intrastate, Interstate, Reciprocal Compensation Data Input, Test Period 2012-13 True-ups and Exchange/Zone Level Data for Access Recovery Charge before you view the output screens.

Test Period 2014-2015 Pre-True-Up view Test Period 2014-2015 Post-True-Up (Filing) view

Test Period 2014-2015 Post True-Up (Filing) View

Line ID	Line Description	Amount
<u>Test Period 2014-2015 Pre True-Up View</u>		
10	Total Eligible Recovery	\$30,979.86
20	Total Eligible Recovery (excluding pool administration expense)	\$30,208.16
30	Residential ARC Revenue at FCC Prescribed Rate	\$216.00
40	SLB ARC Revenue at FCC Prescribed Rate	\$36.00
50	MLB ARC Revenue at FCC Prescribed Rate	\$792.00
60	Total ARC Revenue	\$1,044.00
70	CAFICC Support	\$29,935.86
<u>Test Period 2012-2013 True-Up</u>		
80	Net Impact on Total Eligible Recovery	\$19,336.80
<u>Test Period 2014-2015 Filing (Post True-Up) View</u>		
90	Total Eligible Recovery	\$50,316.66
100	Total Eligible Recovery (excluding pool administration expense)	\$49,544.96
110	Residential ARC Revenue at FCC Prescribed Rate	\$216.00
120	SLB ARC Revenue at FCC Prescribed Rate	\$36.00
130	MLB ARC Revenue at FCC Prescribed Rate	\$792.00
140	Total ARC Revenue	\$1,044.00
150	CAFICC Support	\$49,272.66

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Test Period 2012-2013 True-up

Line ID 80

Line ID 80 Net Impact on Total Eligible Recovery	\$ 19,336.80 (A)
Total Monthly Payments Test Period 2014-2015	12 (B)
Total Monthly Payment	\$ 1,611.40 (C)=(A)/(B)
Jan - June 2015 Total Months	6 (D)
2012-2013 Eligible Recovery paid Jan - Jun 2015	\$ 9,668.40 (E)=(C)*(D)

Circle Telephone & Electric, LLC
SAC: 613005
FCC Form 481

(510) Service Quality Standards and Consumer Protection Rules Compliance

Circle Telephone & Electric, LLC (CTE) maintains compliance with the service quality standards and consumer protection rules outlined by the Regulatory Commission of Alaska and the Federal Communications Commission.

CTE maintains a business office between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday for customer questions on rates, service changes and payments. After hours, a technician is available in the event of an unforeseen outage or emergency.

CTE's contact information and consumer complaint procedures are posted in the local post office, grocery store, tribal center and on the company website circletelephoneandelectric.com

To ensure customer proprietary information is kept confidential, CTE's billing system is maintained by the company member owners. Each month, CTE's accountant is provided the summary local service billing information for financial reporting purposes. To ensure compliance with CPNI regulation, CTE's accountant has been trained in CPNI regulation and has signed a document ensuring her knowledge of and compliance to CPNI regulation.

To enable AT&T to bill long-distance usage, CTE provides AT&T with the customer's name, address and telephone number when a new line is installed utilizing AT&T's reporting procedures. In addition to AT&T, CTE provides the local directory service provider with the customer's name, address and telephone number.

(610) Functionality in Emergency Situations

In the event of loss of service or emergency, Circle Telephone & Electric, LLC "CTE" maintains a full complement of spare cards on site. The battery backup system is tested on schedule to ensure that it is providing eight (8) hours of backup power. The local power company, a subsidiary of CTE, has two generators. The generators are rotated to main generator biweekly. A standby generator is used during the move to ensure that there is no loss in service.

CTE maintains two line trucks with a full complement of tools and equipment, a 24/7 technician on duty and one on call. An additional back-up contractor is available on call to assist with service outages due to acts of God or nature.

In the event of an emergency, each technician/lineman is equipped with a satellite phone and a list of emergency contact names and numbers. Technician/lineman training is ongoing.

(920) Tribal Government Engagement Obligation

David Masephol, member owner of Circle Telephone & Electric, LLC "CTE", met with Sonya Fields, Council Member of the Circle Tribal Community to discuss the broadband needs of the village. During the meeting, the following questions were asked:

Question 1: Do you feel that the internet needs of the village are currently being met by the present internet providers (HughesNet, Starband, GCI) both in the home and in the tribal offices?

Response: No, we are not happy with our residential services. HughesNet is slow. Starband is too expensive and rumored to be leaving.

Question 2: Are there any internet or other telecommunication needs that CTE can provide to better serve the village?

Response: Yes, CTE could provide local internet and cell service.

Needs assessment and deployment planning:

As shown in the responses above, the tribal community is no longer content with the broadband services they receive and would like CTE to provide it. CTE would like to offer broadband services, but found that without terrestrial backhaul the deployment of the service was cost prohibitive.¹

To deploy broadband, CTE must obtain satellite backhaul since the closest terrestrial backhaul is located in Fairbanks, Alaska 155 miles away. As shown in Exhibit A, the cost to purchase 1.544 Mbps of satellite backhaul is \$14,447 per month. As of December 31, 2014, CTE's customer base consisted of 40 residential and 25 business access lines. CTE feels that the cost of satellite backhaul is too great for a community of this size to bear.

Feasibility and sustainability planning:

CTE feels that the response shown above does not represent a reasonable request for broadband service. Absent such a request, CTE is not required to deploy broadband.² However, CTE continues to research backhaul options and hopes to deploy broadband when a means of affordable backhaul is found.

¹ See *Connect America Fund*, WC Docket No. 10-90, et al., Third Order on Reconsideration, FCC 12-52 (rel. May 14, 2012) para. 46.

² See *Connect America Fund*, WC Docket No. 10-90, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17674, para. 26.

1.544 Mbps RATES

Description

GCI Private Line service provides data service between specific points suitable for use in any manner compatible with the channel's technical characteristics.

Local Exchange Facilities

Local Exchange Facilities for terminating GCI Digital Private Line Service will be obtained from the appropriate exchange carrier at its tariffed rate.

Rates and Charges

Rates quoted below are monthly recurring charges (7 days/Week, 24 hrs/day), do not include local channel access charges, and apply to each section of an interexchange channel, i.e.; between each pair of points, on all types of channels.

Installation Charge:

\$200

Monthly Rates:

The pricing chart refers to "DAMA Villages". Please see, below the chart, the listing of cities considered "DAMA Villages".

**1.544
Mbps**

BETWEEN			Month to Month
Anchorage	Barrow	Satellite	14,447.00
Anchorage	Bethel	Satellite	14,447.00
Anchorage	DAMA Villages	Satellite	14,447.00
Anchorage	Dillingham	Satellite	14,447.00
Anchorage	Dutch Harbor	Satellite	14,447.00
Anchorage	King Salmon	Satellite	14,447.00
Anchorage	Kodiak	Satellite	14,447.00
Anchorage	Kotzebue	Satellite	14,447.00
Anchorage	Nome	Satellite	14,447.00
Anchorage	Delta Jct.	Terrestrial	4,159.00
Anchorage	Eagle River	Terrestrial	608.40
Anchorage	Fairbanks	Terrestrial	5,655.00
Anchorage	Glennallen	Terrestrial	3,729.00
Anchorage	Homer	Terrestrial Terrestrial	5,075.00
Anchorage	Juneau	Terrestrial	6,285.00
Anchorage	Kenai	Terrestrial	2,900.00
Anchorage	Ketchikan	Terrestrial Terrestrial	16,785.00
Anchorage	Palmer	Terrestrial Terrestrial	908.00
Anchorage	Prudhoe Bay	Terrestrial	6,525.00
Anchorage	Seattle	Terrestrial	12,999.00
Anchorage	Seward	Terrestrial	3,515.00

Eagle River	Kenai	Terrestrial	Terrestrial	3,589.00
Eagle River	Prudhoe Bay	Terrestrial	Terrestrial	7,214.00
Eagle River	Seward	Terrestrial		4,451.00
Eagle River	Valdez	Terrestrial	Terrestrial	3,528.00
Eagle River	Whittier	Terrestrial	Terrestrial	3,028.00
Eagle River	Seattle	Terrestrial	Terrestrial	13,688.00

Fairbanks	Barrow	Satellite		14,447.00
Fairbanks	Bethel	Satellite		14,447.00
Fairbanks	Cordova	Satellite		14,447.00
Fairbanks	DAMA Villages	Satellite		14,447.00
Fairbanks	Ketchikan	Satellite		14,447.00
Fairbanks	King Salmon	Satellite		14,447.00
Fairbanks	Kodiak	Satellite		14,447.00
Fairbanks	Kotzebue	Satellite		14,447.00
Fairbanks	Nome	Satellite		14,447.00

Fairbanks	Delta Jct.	Terrestrial		1,800.00
Fairbanks	Glennallen	Terrestrial		2,959.00
Fairbanks	Juneau	Terrestrial		11,500.00
Fairbanks	Kenai	Terrestrial	Terrestrial	8,555.00
Fairbanks	Prudhoe Bay	Terrestrial		4,500.00
Fairbanks	Seattle	Terrestrial		14,499.00
Fairbanks	Valdez	Terrestrial		4,279.00

Glennallen	Delta Jct.	Terrestrial		2,250.00
Glennallen	Fairbanks	Terrestrial		2,959.00
Glennallen	Juneau	Terrestrial		10,014.00
Glennallen	Kenai	Terrestrial	Terrestrial	6,629.00
Glennallen	Prudhoe Bay	Terrestrial		5,519.00
Glennallen	Seattle	Terrestrial		16,728.00
Glennallen	Valdez	Terrestrial		2,250.00
Glennallen	DAMA Villages	Terrestrial	Satellite	17,726.00

Homer	Cordova	Terrestrial	Satellite	19,522.00
Homer	Delta Jct.	Terrestrial	Terrestrial	9,234.00
Homer	Dillingham	Terrestrial	Satellite	19,522.00
Homer	Dutch Harbor	Terrestrial	Satellite	19,522.00
Homer	Eagle River	Terrestrial		6,011.00
Homer	Fairbanks	Terrestrial	Terrestrial	10,730.00
Homer	Glennallen	Terrestrial	Terrestrial	8,804.00
Homer	Juneau	Terrestrial	Terrestrial	11,900.00
Homer	Kenai	Terrestrial		2,175.00
Homer	Ketchikan	Terrestrial	Satellite	19,522.00
Homer	King Salmon	Terrestrial	Satellite	19,522.00
Homer	Kodiak	Terrestrial	Satellite	19,522.00
Homer	Prudhoe Bay	Terrestrial	Terrestrial	11,600.00
Homer	Seattle	Terrestrial	Terrestrial	18,074.00
Homer	Whittier	Terrestrial	Terrestrial	7,414.00

RATE FLOOR DATA COLLECTION - OMB Control Number 3060-0986

Block 1 - Contact Information

ROW #	DATA ELEMENT	FORMAT OF REQUESTED DATA	RESPONSE
1	Carrier Study Area Code	6 numeric digits	613005
2	Carrier Study Area Name	alpha characters	CIRCLE TELEPHONE & ELECTRIC, LLC
3	Service Provider Identification Number	9 numeric digits	143002688
4	Residential Local Service Charge Effective Date	mm/dd/yy	07/01/15
5	Contact Name	alpha characters	Donn, Julie R
6	Contact Telephone Number (include area code)	9 numeric digits	907-733-5930
7	Sheet Number	numeric digit(s)	
8	Total Number of Sheets	numeric digit(s)	

Block 2- Residential Local Service Rates, Fees, and Line Counts

	Column 1 Residential Local Service Charge	Column 2 State Subscriber Line Charge	Column 3 State Universal Service Fee	Column 4 Mandatory Extended Area Service Charge	Column 5 Loops	Column 6 Exchange Name/ Zone Name	Column 7 Class Of Service
9	14.00	5.25	1.46		10	Circle/Zone 1	Monthly Flat Rate Residential
10	14.00	5.25	1.46		31	Circle/Zone 1	Lifeline Service

USAC Proprietary Confidential

Line 1210: Terms and Conditions of Voice Telephony Lifeline Plans

Circle Telephone & Electric, LLC "CTE" offers Tribal Low-Income Lifeline service for a flat monthly rate of \$1. CTE's Lifeline rate includes the following discounts:

- \$12.50 Local Service
- \$ 6.50 Federal End User Common Line Charge
- \$ 5.25 State Network Access Fee

All Lifeline recipients receive unlimited local calling minutes. No long distance minutes are included in CTE's Lifeline rate. All long distance usage is measured and billed to the customer by AT&T.

Lifeline Terms & Conditions:

- a) Eligibility: A customer is eligible to participate in CTE's Lifeline program if the customer:
 - 1) lives in a household with income at or below 135 percent of the applicable federal poverty guidelines of the state of Alaska, as established by the United States Department of Health and Human Services;
 - 2) receives benefits under:
 - A. Medicaid;
 - B. Food Stamp Program;
 - C. Supplemental Security Income Program;
 - D. Federal Public Housing Assistance Program;
 - E. Low-Income Home Energy Assistance Program;
 - F. Bureau of Indian Affairs General Assistance Program;
 - G. Temporary Assistance for Needy Families;
 - H. Head Start Program and meets the low-income criteria prescribed under 42 U.S.C. 9840;
 - I. National School Lunch Program for free lunches;
 - J. Alaska Temporary Assistance Program;
 - K. Alaska Adult Public Assistance, or;
 - 3) receives benefits under another social services assistance program that uses an income-based means test to determine eligibility for benefits and is administered by the state or federal government.

b) Eligibility Certification:

1) Lifeline subscribers whose eligibility was based on income at or below 135 percent of the applicable federal poverty guidelines as described in paragraph a)1 must sign a document:

- A. certifying under penalty of perjury the number of individuals in the customer's household and the customer's household income;
- B. agreeing to notify CTE when the customer's household income exceeds the 135-percent threshold; and
- C. provide a copy of one of the following as proof of income:
 - 1. previous year's federal tax return;
 - 2. current income statement or an employer paycheck stub;
 - 3. statement of benefits from the U.S. Social Security Administration;
 - 4. statement of benefits from the U.S. Department of Veterans Affairs;
 - 5. a retirement or pension statement of benefits;
 - 6. an unemployment or worker's compensation statement of benefits; or
 - 7. a federal or tribal notice letter of participation in general assistance.

2) Lifeline subscribers receiving benefits under paragraphs a)2 or a)3 must sign a document:

- A. certifying under penalty of perjury that the customer received benefits from at least one the programs listed;
- B. identifying one or more of the programs listed from which the customer received benefits; and
- C. agreeing to notify CTE when the customer no longer receives benefits from any program that the customer identified.

c) Eligibility Recertification: Annually, CTE meets with each Lifeline recipient and recertifies that the customer still qualifies for Lifeline support based on the criteria outlined in section a) Eligibility.

Michael C. Burke CPA
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michael@burkewatson.com

Lois A. Watson MBA
Cell: (907) 240-4715
lois@burkewatson.com

May 29, 2015

Mr. David Masephol
Circle Telephone & Electric, LLC
PO Box 3
Circle, Alaska 99733

Independent Accountant's Review Report

Dear David:

I have reviewed the Operating Report For Telecommunications Borrowers of Circle Telephone & Electric, LLC as of December 31, 2014, prepared in the required format and in accordance with the requirements of the Federal Communications Commission's ("FCC") Form 481, for the purpose of obtaining limited assurance that there are no material modifications that should be made to the financial data in order for the statements to be in conformity with FCC and Form 481 requirements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the instructions and requirements mandated by FCC accounting requirements, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements as presented on the FCC's prescribed forms. I believe that the results of my procedures provides a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the data contained in the above mentioned report in order for it to be in conformity with the FCC's requirements for reporting on Form 481.

Sincerely yours,

Michael C Burke

Michael C Burke, CPA
President, Burke Watson, Inc.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME <div style="text-align: center;">Circle Telephone & Electric, LLC</div>	
INSTRUCTIONS- Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING <div style="text-align: center;">December 31, 2014</div>	BORROWER DESIGNATION

CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII <i>(Check one of the following)</i>	
<input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.	<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="border-bottom: 1px solid black; width: 20%;"></div> <div style="border-bottom: 1px solid black; width: 20%;"></div> </div> <div style="text-align: center; margin-top: 5px;">DATE</div>	

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	26,809	7,413	25. Accounts Payable	227	7,420
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable	263,603	280,172	29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable		223	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	227	7,420
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	290,412	287,808	39. Funded Debt-Other	48,253	30,838
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	48,253	30,838
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	0	0	50. Total Other Liabilities and Deferred Credits (47 thru 49)	0	0
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	194,056	203,347	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction		9,818	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	20,734	17,848	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	53,982	65,815	55. Other Capital	289,107	314,880
23. Net Plant (18 thru 21 less 22)	160,808	165,198	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	113,633	99,868
	451,220	453,006	58. Total Equity (51 thru 57)	402,740	414,748
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	451,220	453,006

Total Equity =

% of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION Circle Telephone & Electric, LLC	
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December 31, 2014	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		12,948	12,013
2. Network Access Services Revenues		154,379	143,711
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)		167,327	155,724
8. Plant Specific Operations Expense		12,406	14,363
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense		11,564	11,834
11. Amortization Expense		2,887	2,887
12. Customer Operations Expense		1,617	4,128
13. Corporate Operations Expense		21,639	21,405
14. Total Operating Expenses (8 thru 13)		50,113	54,617
15. Operating Income or Margins (7 less 14)		117,214	101,107
16. Other Operating Income and Expenses		654	802
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)		0	0
21. Net Operating Income or Margins (15+16-20)		117,868	101,909
22. Interest on Funded Debt		3,544	1,894
23. Interest Expense - Capital Leases			
24. Other Interest Expense		351	147
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)		3,895	2,041
27. Nonoperating Net Income			
28. Extraordinary Items Yukon River Flood Loss		(340)	
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)		113,633	99,868
32. Total Taxes Based on Income Not applicable -Partnership			
33. Retained Earnings or Margins Beginning-of-Year		335,752	402,740
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date Partner Earnings/Draws		46,645	87,860
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		402,740	414,748
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		24,643	19,543
45. Cash Ratio [(14+20-10-11) / 7]		.21	.26
46. Operating Accrual Ratio [(14+20+26) / 7]		.32	.36
47. TIER [(31+26) / 26]		30.17	49.93
48. DSCR [(31+26+10+11) / 44]		5.36	5.97

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
Circle Telephone & Electric, LLC

PERIOD ENDING
December 31, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

☐ See Part C Continuation Attached- (if box is checked)[illegible]

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS			BORROWER DESIGNATION Circle Telephone & Electric, LLC		
			PERIOD ENDING December 31, 2014		
<i>INSTRUCTIONS- See RUS Bulletin 1744-2</i>					
PART D. SYSTEM DATA					
1. No. Plant Employees 2	2. No. Other Employees 1	3. Square Miles Served 64	4. Access Lines per Square Mile 1	5. Subscribers per Route Mile 21.7	
PART E. TOLL DATA					
1. Study Area ID Code(s) a. 613005 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one) <div style="display: flex; justify-content: space-between;"> <div> Interstate: <input checked="" type="checkbox"/> Average Schedule Intrastate: <input checked="" type="checkbox"/> Average Schedule </div> <div> <input type="checkbox"/> Cost Basis <input type="checkbox"/> Cost Basis </div> </div>			
PART F. FUNDS INVESTED IN PLANT DURING YEAR					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					0
PART G. INVESTMENTS IN AFFILIATED COMPANIES					
INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development	16,569		280,172		280,172

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION Circle Telephone & Electric, LLC
	PERIOD ENDING December 31, 2014

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☐ YES ☒ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	12.5
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	12.5
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	20.0
8. Central Office Switching - Digital	8.3
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	8.3
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	6.7
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION Circle Telephone & Electric, LLC
INSTRUCTIONS – See help in the online application.		PERIOD ENDED December 31, 2014
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		26,809
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		99,868
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		11,834
4. Add: Amortization		2,887
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		(223)
7. Decrease/(Increase) in Materials and Inventory		
8. Decrease/(Increase) in Prepayments and Deferred Charges		
9. Decrease/(Increase) in Other Current Assets		(16,569)
10. Increase/(Decrease) in Accounts Payable		7,193
11. Increase/(Decrease) in Advance Billings & Payments		
12. Increase/(Decrease) in Other Current Liabilities		
13. Net Cash Provided/(Used) by Operations		
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		
15. Increase/(Decrease) in Notes Payable		
16. Increase/(Decrease) in Customer Deposits		
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(17,416)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		(87,861)
20. Less: Payment of Dividends		
21. Less: Patronage Capital Credits Retired		
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(19,109)
25. Other Long-Term Investments		
26. Other Noncurrent Assets & Jurisdictional Differences		
27. Other (Explain)		
28. Net Cash Provided/(Used) by Investing Activities		
29. Net Increase/(Decrease) in Cash		
30. Ending Cash		7,413

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